

S E C R E T SECTION 01 OF 04 MANILA 005510

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STATE FOR EAP, INR/EAP, AND EAP/MTS  
INR PASS TO DNI NEGROPONTE FROM CHARGE D'AFFAIRES JONES  
USPACOM ALSO FOR FPA HUSO  
NSC FOR H. MORROW  
SECDEF/OSD/ISA/AP FOR ALLEN

E.O. 12958: DECL: 11/29/2015

TAGS: PREL PINR ASEC OVIP PINS MOPS MARR PGOV RP

SUBJECT: SCENE SETTER FOR DIRECTOR OF NATIONAL INTELLIGENCE  
NEGROPONTE

REF: MANILA 5433

Classified By: (U) Charge d'Affaires, a.i., Paul W. Jones  
for reasons 1.4(b) and (d).

**11.** (S/NF) Summary. Comprehensive counterterrorism efforts -- ranging from the military to humanitarian to public diplomacy -- top the broad U.S. agenda in the Philippines' still struggling democracy. In Manila, you will meet President Arroyo, former President Ramos, Executive Secretary Ermita, National Security Advisor Gonzales, National Intelligence Coordinating Agency (NICA) Director Garcia, and a range of senior military and law enforcement officials. You should use your meetings to thank President Arroyo for her support against terrorism, to express support for democratic institutions, warning against emergency measures, and encourage progress in peace talks with the Moro Islamic Liberation Front (MILF). The government needs to improve dramatically interagency cooperation, joint military coordination, and institutional reform of the police, military, and judiciary to win against the terrorists. In the nearer term, it needs an anti-terrorism law, which is currently deadlocked in Congress. RMAS' robust assistance has helped lead to major counterterrorism successes. Your public remarks should underscore our increasingly successful partnership with the GRP on counterterrorism, our hopes for further peace and development in Muslim Mindanao in particular, and our support for democratic processes and rule of law. President Arroyo continues to seek U.S. approval in her fight for political survival. Focusing on our support for real substantive cooperation will ease her nerves, without identifying us too closely with a still-troubled Administration. End Summary.

COUNTERTERRORISM

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**12.** (C) The list of problems faced by Philippines has changed little since your time here as Ambassador: corruption, ineffective governance, endemic and widespread poverty, weak democratic institutions and political parties, and challenges to law and order from ineffective military and police capabilities in the face of numerous insurgencies and terrorist movements. At the top of our agenda, as reflected in our Mission Performance Plan, are our counterterrorism efforts. Jemaah Islamiyah (JI) and Abu Sayyaf Group (ASG) terrorists continue to elude government forces in Mindanao and the Sulu Archipelago, while the Communist Party of the Philippines/New Peoples' Army (CPP/NPA) maintains a country-wide presence bent on destabilization. The Rajah Solaiman Movement (RSM) -- despite the recent arrest of its leader, Ahmad Santos -- represents a growing worry because of its ties to foreign financing and the ability of its members -- Christian converts to Islam -- to "blend in." The Philippines has a recent history of terrorist attacks on its own territory. The February 28, 2004, bombing of Superferry 14, which killed over one hundred Filipinos, was the second worst terrorist attack in Asia after the October 2002 Bali bombings, while the February 14, 2005, "Valentine's Day" bombs in Manila and Mindanao devastated crowds of shoppers and commuters.

**13.** (S/NF) Amid these challenges, President Arroyo continues to fend off Opposition attempts to force her to step down following allegations that she engaged in cheating to win the 2004 presidential election and that her immediate family benefited from illegal gambling revenues. Arroyo continues to look for positive, public signs of support from the United States. Pictures of Arroyo with President Bush at the APEC Summit were prominently displayed on the front pages of local newspapers, and she will want to use your visit to bolster the perception that the U.S. and the Philippines remain close partners, and that she personally has close ties to senior USG officials.

**14.** (S/NF) The government's political woes have not yet had a significant impact on the AFP and the PNP, our two principal

counterterrorism partners, but could over time. National Security Advisor Gonzales told the Charge November 21 he has recommended that the President impose emergency rule to counter the CPP/NPA threat (reftel). Recent RMAS reporting indicates Arroyo may be weighing whether to enact emergency rule -- a move we believe she had backed away from in mid-October. Resorting to emergency rule, a declaration of martial law, or a coup attempt would likely divide the military and the police, inflame the Opposition, and further diminish the attractiveness of the Philippines as an investment destination.

#### USAID - ECONOMY AND LIVELIHOOD

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**15.** (SBU) Our counterterrorism engagement in the Philippines ranges from humanitarian relief and development to the military and public diplomacy. USAID's Livelihood Enhancement and Peace (LEAP) program has reintegrated over 28,000 former Moro National Liberation Front (MNLF) combatants into productive society as successful farmers, and stands poised -- should the GRP sign a peace agreement with the MILF, as both sides increasingly appear to expect in the next few months -- to provide similar assistance to the MILF. USAID's broad spectrum of development programs (in infrastructure, education, governance, health, economic growth, environment, and energy) in conflict-affected areas of Mindanao have made a positive impact in communities vulnerable to exploitation by terrorists, as well as contributed to greater judicial efficiency, electoral reform, and promotion of rule of law nationwide.

#### JUSMAG - TRAINING AND REFORM

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**16.** (C) The Joint US Military Assistance Group-Philippines (JUSMAG-P) plays an increasingly vital role in our efforts to improve Philippine capabilities. The US-trained and equipped Light Reaction Companies (LRCs) and Light Infantry Battalions (LIBs) are the tip of the spear in the counterterrorism fight. Although the AFP failed to capture ASG leader Khaddafy Janjalani during Operation Layas Pagad this summer, it did, as a direct result of US support and training, conduct unusually sustained combat operations in the field for over 60 days. Over the longer term, JUSMAG-P support for the Philippine Defense Reform (PDR) program will prove key to the GRP's ability to stand alone without US assistance and transform the AFP into a more modern, effective, and transparent institution, capable of meeting the needs of the Philippine people and serving as a more reliable coalition partner.

#### JSOTF - INTELLIGENCE FUSION AND CIVIL MILITARY OPERATIONS

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**17.** (C) Joint Special Operations Task Force-Philippines (JSOTF-P) provides advice, assistance, and intelligence fusion to the AFP in the hunt for wanted terrorists. Additionally, JSOTF-P has broadened its scope to include civil-military operations in Mindanao. This approach, coupled with USAID's longer-term programs, attacks the environment in which the terrorists thrive. JSOTF-P's efforts in support of the AFP civil-military operations will initially focus on the island of Jolo in the Sulu Archipelago, an established ASG stronghold, with the goal of changing perceptions of the AFP and Philippine government among the citizens of Mindanao.

**18.** (S/NF) There are indications that ASG leaders Janjalani and Abu Solaiman as well as JI operative Umar Patek have moved from central Maguindanao to Jolo. JSOTF-P Liaison Coordination Elements (LCEs) now on the island can help improve AFP efforts to target the terrorists through intelligence fusion and training assistance.

#### PUBLIC DIPLOMACY - GETTING THE STORY OUT

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**19.** (SBU) The Philippines remains an exuberant media environment, with much effort devoted to ensuring that journalists get their facts straight, while we also take every opportunity to get our side of the story out. Initiatives, such as our recently published "Muslim Life in the Philippines," have found a ready audience, and we have in the works a film chronicling the successful joint US-AFP effort to defeat the ASG on Basilan. PAS works hand-in-glove with both USAID and JSOTF-P to ensure that perceptions of our efforts on every front are positive.

#### REWARDS PROGRAMS - SYNERGIES

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**10.** (S) Our rewards effort builds upon the synergies between the State and DoD programs to attack the web of social, religious, and cultural ties upon which the

terrorists have relied for their safety and freedom. The promise of a reward encouraged individuals to step forward to help the AFP get ASG leader Hamsiraji Sali, ASG terrorist Toting Craft Hanno, and JI operative Jeki. The USG has already paid out rewards for numerous other terrorists. We anticipate the recently announced reward of \$10 million under Rewards for Justice for Dulmatin will help bring him to justice.

RMAS - CRITICAL SUPPORT

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¶11. (S/NF) RMAS support and direction of the PNP's Intelligence Group (IG), Task Force Sanglahi, and the Intelligence Service of the Armed Forces of the Philippines (ISAFP) has proven critical to the capture of a number of terrorists and the disruption of operations directed against US interests. RMAS assistance helped lead to major successes, such as the capture of RSM leader Ahmad Santos and JI operatives Jeki and Faiz.

PRESS THEMES

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¶12. (SBU) In both your private and public remarks, we encourage you to highlight:

-- Partnership: You should reiterate that the Philippines is a valued partner in the Global War on Terror, as well as a Major Non-NATO Ally (despite the sudden pull-out of Philippine troops from Iraq in July 2004 in response to the kidnapping of Philippine driver Angelo De La Cruz);

-- Anti-terrorism legislation: the Philippine House has consolidated its efforts behind one anti-terrorism bill, which is now out of Committee for consideration by the full House. The Senate has also consolidated behind one bill. However, legislative action remains stalled, despite pressure from the Arroyo administration for action. You should stress the need to pass effective anti-terrorism legislation that will give law enforcement agencies the tools to fight and defeat terrorism, without compromising civil liberties;

-- Peace talks: With growing optimism by both the GRP and the MILF that the Malaysian-brokered peace talks could end with an agreement by mid-2006, both sides are also looking for USG developmental support similar to what we provided in the wake of the 1996 agreement with the MNLF. Settling Bangsamoro claims for autonomy would politically mainstream a 15,000-strong insurgent group, and make a significant contribution to stabilizing the region. You should commend President Arroyo for the progress her government has made thus far, emphasize the strong US backing for the successful conclusion of the negotiations, and note USG willingness to consider new assistance programs by USAID to advance the goals of the peace agreement.

IF ASKED

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¶13. (SBU)

-- Espionage case: The October 2005 arrest in the United States of an FBI employee of Filipino descent for espionage made front page news for weeks in the Philippines, focusing on his alleged ties with Opposition leaders Senator Panfilo Lacson and former president Joseph Estrada. Alleged Embassy reporting was quoted in the press, apparently designed to create discord between the government and the United States. Because of your role as the Director of National Intelligence, Arroyo or her advisers may mention this case. In response to one alleged Embassy report, former President Ramos publicly asked you, as DNI and former Ambassador, to refute it. Charge has met Ramos and cleared the air, but the press may ask you about it. Our consistent line is that the issue remains before the courts and we cannot comment on law enforcement matters.

-- Alleged rape case: Six U.S. Marines are now under investigation by Philippine officials as well as US military authorities for involvement in an alleged rape in Subic on November 1. They remain in U.S. custody under the terms of the Visiting Forces Agreement (VFA). Our consistent line is that we intend fully to comply with the terms of the VFA, that we are committed to seeing justice done, and that the accused should be presumed innocent until proven guilty.

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